

Northwards Housing – Audit Sub-Committee Meeting

**Hexagon Tower
Thursday 22nd October 2009 at 5.00pm**

Chair: Michelle Carmichael

Present: Michelle Carmichael (MC) Board Member
Paul Seymour (PS) Board Member

In Attendance: Steve Finegan (SF) Head of Business Improvement
Alison Foster (AF) Head of Finance
Lauren Parr (LP) PKF
Nicola Higginbottom (NH) PKF

ITEM	SUBJECT	ACTION
1	<p>Welcome and Introductions</p> <p>The meeting was not quorate. It was agreed to proceed with the agenda noting the reports.</p>	
2	<p>Apologies for Absence</p> <p>Apologies for absence had been received from Sue Ratchford, Naeem Ul-Hassan and Martin McKeivitt.</p>	
3	<p>Declaration of Interests / Confidential Matters / Equality & Diversity Matters Arising</p> <p>There were no items for noting under this heading.</p> <p>Equality and Diversity implications were noted on particular reports.</p>	
4	<p>Minutes of Last Meeting</p> <p>The minutes from the meeting held on 23rd July were held over for the next meeting as Sub-Committee was not quorate.</p>	
5	<p>Matters Arising</p> <p>a) Payroll Changes</p> <p>AF reported that PKF had reviewed the concerns raised by KPMG, and were happy to report that they had no concerns with the security of payroll changes.</p> <p>b) Governance Review</p> <p>AF advised that a review is to be arranged with PKF and they will be invited to discuss the review at the start of the next audit Sub-Committee.</p>	

	<p>c) Freedom of Information</p> <p>SF updated Sub-Committee on the number of freedom of information requests submitted to Northwards Housing.</p> <p>d) Mystery Shopping</p> <p>SF confirmed that there is currently no mystery shopping undertaken on the Northwards Publication Scheme on the website.</p> <p>e) Consumer Credit Licence</p> <p>AF confirmed that all organisations providing a debt advice service are required to hold a consumer credit licence.</p>	
6	<p>Internal Audit – Visit 1 Report</p> <p>SF introduced NH and LP from PKF.</p> <p>SF took Sub-Committee through the internal audit report on Tenancy Turnover and Void Management.</p> <p>PKF recently undertook a review to assess the adequacy of the internal controls over tenancy turnover and void management within Northwards Housing.</p> <p>The report concluded that there are suitable policies and procedures to support tenancy sign up, terminations, abandonments and the void system.</p> <p>However, the report highlighted concerns about the current framework for void categorisation, and believed that it does not support the efficient management of void properties.</p> <p>The report recommends that further consideration should be given to the development of the void banding framework</p> <p>In addition, quantity surveyors should be reminded of the agreed void standard, in order to ensure works are completed within available budgets.</p> <p>Sub-Committee noted the update.</p>	
7	<p>Insurance Update</p> <p>AF advised Sub-Committee that our current insurance policies are due for renewal in April 2009.</p> <p>The current policies were agreed on a one year insurance deal with Zurich.</p>	

	<p>However, there is evidence that a three year or longer term agreement would be more advantageous.</p> <p>AF therefore advised that we will be asking our broker (AON) to issue an OJEU notice in order to undertake a full review of the market. AF advised that a long term agreement could result in savings of up to £16,000 per annum.</p> <p>AF advised that by undertaking a full review, the organisation would have greater flexibility over agreed excesses and premiums.</p> <p>AF advised that consideration has also been given to tendering provision of the brokerage service, which currently costs an annual fee of £9,000 per annum. However, AF advised that this would delay the OJEU process, and given the accessibility and housing knowledge of AON we would be looking to re-appoint them as our preferred broker.</p> <p>Sub-Committee noted the update.</p>	
<p>8</p>	<p>Fraud Register</p> <p>AF advised that there were two items for noting.</p> <p>Letting Procedure to Employees The first item concerned the letting of a Northwards property to an employee of the organisation, and the way in which the property was let.</p> <p>This is as a result of an internal audit investigation by MCC, which is yet to be concluded.</p> <p>However, AF advised Sub-Committee that the procedure for letting properties to employees has now been reviewed by Northwards, resulting in all lets to employees being reviewed by the Chief Executive or a Director of the organisation.</p> <p>Gift to an Employee AF advised Sub-Committee that an allegation has been made regarding a gift to a housing officer.</p> <p>AF advised that a full investigation has been undertaken, with the employee suspended whilst this was carried out.</p> <p>However, the investigation concluded that there was no case to answer, and the employee was duly reinstated.</p> <p>Sub-Committee noted the update.</p>	
<p>9</p>	<p>Any Other Business</p> <p>As the Sub-Committee was not quorate, the chair agreed that</p>	

	they would meet in advance of the next Board meeting in order to approve the minutes.	
10	Date of next meeting The next meeting would be in January 2010 at 5:00pm at Hexagon Tower. With thanks to everyone, the Chair closed the meeting at 6.35pm.	